

WBZZ Six Month Audit

EZ GENERAL MANAGERS AUDIT WORKSHEET

STATION: *WBZZ*PERIOD COVERED: *Done July 8, 89
JAN 1, 89
June 30, 89*

1. Select 18 invoices as follows:

- Obtain revenue reports for each of the six months under audit.
- For each monthly revenue report, select three invoices for testing by dividing the sales journal into three equal parts, and then select the third invoice appearing on the page. For example, if the sales journal was 30 pages, the selected invoices would be the third invoices on pages 10, 20 and 30.

Schedule the 18 invoices selected in the space below and test as indicated:

Invoice# / Client Name	Nat of Auth	Explain if "X"	Traced to Log (Y/N)**	Discrepancies
1. <i>2425 02 Airport Marriott</i>	<i>TC</i>		<i>✓</i>	<i>NO</i>
2. <i>2422 01 KDKA-TV</i>	<i>OS</i>		<i>✓</i>	<i>NO</i>
3. <i>2542 01 ABC-TV</i>	<i>AI</i>		<i>✓</i>	<i>NO</i>
4. <i>2425 05 Airport Marriott</i>	<i>TC</i>		<i>✓</i>	<i>NO</i>
5. <i>2610 01 Kufman's</i>	<i>+</i>	<i>particular Inv. House where does give instructions. Purchasing order given</i>	<i>✓</i>	<i>NO</i>
6. <i>2554 02 ZIEBART</i>	<i>+</i>	<i>usually FAX'S did not this time</i>	<i>✓</i>	<i>NO</i>
7. <i>2425 06 Airport Marriott</i>	<i>TC</i>		<i>✓</i>	<i>NO</i>
8. <i>2903 01 803 Comp</i>	<i>X</i>	<i>have phone order approved by Hall WCFE</i>	<i>✓</i>	<i>NO</i>
9. <i>2948 01 Universal Pinter</i>	<i>X</i>		<i>✓</i>	<i>NO</i>
<i>redstone</i>				

* Nature of Authorization - this tests for the origin of the sales order. This column is to be completed with the following choices:

OS - Signed client order on file
AI - Order inserted by authorized agency

TC - Order part of trip contract
X - No authorization for order on file, explain

** Traced to Log - the last spot appearing on the invoice is to be traced to the corresponding program log and checked to determine proper time (within 5 minutes).

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2. Select a program log (already reviewed by the PD during their weekly log checks) from each of the six months under audit. Include for review the first hour following the hour checked by the PD and included on the PD's quarterly audit. Then, select the second spot after the top of the hour and test as indicated. For example, the PD listens to the 8am hour on March 4th. You select the March 4th log, turn to 9am and select the second commercial aired.

WB2Z Exhibit No. 5
Attachment p. 106

	Date	Hour	Spot Selected
1.	6/22/89	7pm	3694 my Rogers <i>my Rogers</i>
2.	6/13/89	5pm	3556 <i>marshalls</i>
3.	5/5/89	9AM	3112 <i>TCBY</i>
4.	4/28/89	5pm	2993 <i>Poly cheese</i>
5.	5/12/89	1pm	3514 <i>Friends of Sophie</i>
6.	4/2/89	9AM	2913 <i>CANOE wine</i>

ONLY 3 months since start of keypoint with new audit procedures

Invoice/Client Name	Nat of Auth*	Explain if "X"	Traced to Log (./)**	Discrepancies
1. <i>my Rogers</i> 3694	X		yes	NO
2. <i>marshalls</i> 3556	AI		yes	NO
3. <i>TCBY</i> 3112-01	TC		yes	NO
4. <i>Poly cheese</i> 2993	AI		yes	NO
5. <i>Friends of Sophie</i> 3514	AI		yes	NO
6. <i>CANOE wine</i> 2913	AI		yes	NO

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January	Airport Marriott X	2425-02	01/28	05:53P
	KDKA TV	2422-01	01/17	06:36P
	ABC-TV +	2542-01	01/26	05:17P
February	Airport Marriott X	2425-05	02/25	07:53P
	Kaufmann's	2610-01	02/04	11:53A
	Ziebart	2554-02	01/27	05:33A
March	Airport Marriott X	2425-06	03/25	03:33P
	Job Corps X	2903-01	03/26	10:53P
	X Universal Pictures X	2948-01	03/22	11:53P
April	ABC-TV +	3215-01	04/20	07:51A
	Friends of Sophie +	3311-02	04/29	08:53P
	Maggie Mae's +	2493-05	03/29	05:53P
May	Kaufmann's +	3371-01	05/13	06:17P
	Manning for Judge +	3515-02	05/15	10:52P
	Wickes +	3102-01	05/21	07:33P
June	Greenbriar Treatment X	2159-04	06/23	09:17A
	Warehouse Club X	3321-01	06/23	06:53P
	Ryan Homes +	3407-01	06/01	07:33P

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3a. Explain the 5 oldest (non-national) accounts receivable balances on the regular aging.

Account	Amount	Date of Oldest Invoice	Status
m + m's	\$1236	Sept 88	R. b. meadows (Discrepancy prob. by unit)
River Cafe	\$440	Dec 88	Early Payment plus last Payment up to date
Collect. Agency	\$1283	Dec 88	Client's Book kept. Agency, Becksville, and
Esplan. Office	\$630	Oct 88	Discrepancy Client will pay later
Keller Office	\$9700	Feb 1989	Discrepancy should be taken

3b. Explain the 2 oldest national accounts receivable balances on the aging.

Pittsburgh Brewing (June 88) went to young & RUBINOW for HSBM CHAM
U.S. AIR (OUT 1988) Addressed \$3600 for payment to 732
H.S. Green, General for payment to 732
Earl Miller Brown

4. Has the sales manager signed off on all A-WRITE reports? ☒ Y ☐ N This is done weekly by Bill West
Did you personally review the file? ☒ Y ☐ N If no to either question, why not? and Initialed and Mark

5. Are the A-Lists checked and reviewed daily? ☒ Y ☐ N By whom? ORICKTA WILLIAMS
Are they kept permanently with logs? ☒ Y ☐ N SALES ASSISTANT

6. Were all trip invoices reviewed and stamped with the trip stamp? ☒ Y ☐ N

a) How do you know? Just completed annual audit. Following the audit new procedures were established. That makes sure all TRIP client's invoices

b) List 3 regular and one agency invoice that you reviewed that were stamped.
Airport Marriott, Giant Eagle, Green Brier Treatment and
Frankland (Della Formina Agency)

c) Explain all trip clients who are behind schedule with either their advertising or their payments.
Attach copy of monitor reports of the two clients who have spent the least part of their commitments YTD.

Frank MANNION is slightly behind. He will not go if he doesn't spend money.
must spending is in fourth quarter
Hullmark - (Two Trips) \$17,000 Behind will be fine fourth quarter

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7. Are the station security arrangements relating to the following adequate:

Statements? ☒ Y ☐ NInvoices? ☒ Y ☐ NTrade Merchandise? ☒ Y ☐ NComputer records? ☒ Y ☐ N

Where are they kept?

open Box label in Business Manager's office start in ~~the~~
 ~~labeled in Basement (Handmade / Certified / Labeled in~~
 ~~Back up's taken by [unclear] at [unclear]~~Is back-up capability available to you for the computer in case of emergencies? ☒ Y ☐ NWho is/are the backup(s)? William J. Back up programAre computer disks backed up daily ☒ Y ☐ N, weekly ☐ N, monthly ☐ NAre they kept off premises? ☒ Y ☐ N

Twice daily.

8. Describe briefly your examination of the public files:

General accessibility and neatness IN SIX Books very neatWhere is it? Business Office in file cabinet to the right of doorWho's in charge of it? Bill Cantrell Program ManagerOwnership reports (list last one in file) Form 323 dated July 26 & 27 in BookEngineering and construction permits N.A.Political information All government documents removed from MAY 15, 1989General public comments Letters and group letters from June 1, 1989Employment reports (FCC Form 395 only) 3/24/89 in Public FileRenewal Application N.A.Quarterly Issues/Program Reports (list for period) THRU June 25, 1989

Any items not required to be in file

FCC Procedural Manual 303 in Book last section Public and Broadcasting

9. How often are collection meetings held between you and:

Business Manager 2 Times a month Sales Manager once a weekSales People only as needed Credit Attorney AS Needed very seldom (once every month)10. Did you review the monthly trade report? ☒ Y ☐ N If not, why?Did you initial each line item on the March, June, September and December monthly trade reports? ☒ Y ☐ N startedIf not, why? started April 1st - didn't do MarchWhat is the YTD trade amount contracted for? Include the 5 fully reconciled trades requested. APRIL May June start contracted

* Attach the selected trade account reconciliations.

WB22 Exhibit No. 5
Attachment p. 110

Explain all credit balances from the trade log.

no credit balances (clean)

Explain all balances in excess of a net \$5,000 due to the station from the trade log.

WPTT Television
We will be sending to schedule late summer Early Fall
Balance is lower than appear on report (hand to get balance from unmet)
Conango (change in July for club membership)Are there trade vendors who haven't sent an accounting since the last audit? Y N If yes, who are they?Form letter once a month will be sent to Trade
clients (This will clean this up)11. Do you review the PD's quarterly report? Y NFirst one: This week. went in with
done E.O. on. reportHave you initialed the monthly log monitor report included in the PD's quarterly report? Y N

12. How long is the logger tape kept?

We have 152 days of tape currently13. Is our system adequate for logging and billing of co-op accounts? Y NDo all co-op invoices disclose the name of the co-op account? Y N

14. List the date of the last logged EBS test in the month preceding your preparation of this report.

Sent

Received

6/26/89 1253 PM
6/26/89 6/26/89

15. When did you last personally distribute paychecks?

Today 7/7/89

16. What new office equipment (over \$500) has been leased or acquired in the past 6 months?

Copy machine
SHARP 3 years lease

What equipment (office or otherwise) over \$500 has been disposed of in the past 6 months?

nothing

17. What vehicles are in use at the station (owned/leased by or traded for)?

Make/Model	Date Acq.	Purpose	Driver
Mercedes 300 1988		Business sales	Tef MEYER
1989 GMC SAFARI VAN		programming	only employees
1985 GMC ASTRO VAN		programming	only employees
1979 GMC VAN		programming utility	only employees

Are auto logs maintained for all of the above vehicles? Y N If not why?Were any vehicles disposed of in the past 6 months? Please describe. NOHave any station vehicles been involved in an accident in the past 6 months? Describe. YES!

1985 Chevy Astro van RON Theiss Driving Illegal TURN 1000
 deductible applied we paid for Damage.

18. Is the after-hours visitor log appropriately maintained? When was this last tested? Y N If not, why?

Party Fourth of July was tested.

19. What letters were sent to schools, local programs and/or organizations which promote minority hiring? Were they sent in each case of a vacancy? If not, why?

For sales position (Refused by woman) for attorney. NAACP, community college, Carlos Urban League, City Placement Services, Univ of PA, Urban Youth Action Plan etc. Radio and news station E. E. O
 For midday Jack position

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Are FCC and company guidelines for minorities and upper-four job categories being met? Please identify any company goal deficiency and steps taken to eliminate it. minorities / upper four

category. 1 Above Parity with minorities

[Signature]
GENERAL MANAGER

7/6/87
DATE

WBZZ Exhibit No. 5
Attachment, p. 113TRIP MONITOR REPORT
Singapore
1989

WBZZ

DATE CONTRACT RECEIVED: 9/28/88 TRIP #:

CLIENT INFORMATION

NAME: Marmion Advertising
ADDRESS:

GUEST NAMES:

POSITION:

HOME ADDRESS:

STATION INFORMATION

CONTRACT TOTAL: \$50,000.00
SPOT TOTAL:
SALESPERSON: Wexler
MONTHS INCLUDED: 10/88-9/89
NUMBER OF TRIPS: 1

1099 TO:

SPECIAL INSTRUCTIONS:

PASSPORT #S:

BILLING RECORD

MONTH/ YEAR	TOTAL SPOTS	SPOTS BILLED	INVOICE PAID/ DATE PAID	TRIP CHARGE AMOUNT	DEDUCT TO DATE	BALANCE ADVERTISING TO BE USED
10/88	Family Toy	1696-01			\$1,240	\$48,760.00
	Keystone	1716-01			\$2,790	\$45,970.00
11/88	Family Toy	1694-01			\$7,130	\$38,840.00
		1696-02			\$620	\$38,220.00
12/88	Family Toy	1694-02			\$10,385	\$27,835.00
1/89				\$28	\$0	\$27,835.00
2/89	Courtesy Olds	2796-01		\$28	\$600	\$27,235.00
3/89	Family Toy	2854-01		\$28	\$3,720	\$23,515.00
4/89				\$28	\$0	\$23,515.00

WBZZ Exhibit No. 5
Attachment, p. 114

TRIP MONITOR REPORT
Singapore
1989

WBZZ

DATE CONTRACT RECEIVED: 09/22/88 TRIP #:

CLIENT INFORMATION

NAME: Hallmark
ADDRESS:

GUEST NAMES:

POSITION:

HOME ADDRESS:

PASSPORT #S:

STATION INFORMATION

CONTRACT TOTAL: \$100,000.00

SPOT TOTAL:

SALESPERSON: Yen

MONTHS INCLUDED: 1/89-12/89

NUMBER OF TRIPS: 2

1099 TO:

SPECIAL INSTRUCTIONS:

BILLING RECORD

MONTH/ YEAR	TOTAL SPOTS	SPOTS BILLED	INVOICE DATED/ DATE PAID	TRIP CHARGE AMOUNT	DEDUCT TO DATE	BALANCE ADVERTISING TO BE USED
1/89	Mr. Ham	2261-01			\$320	\$99,680.00
	PIA	2427-01		\$77	\$2,250	\$97,430.00
2/89	PIA	2427-02			\$2,250	\$95,180.00
	Subway	2676-01		\$77	\$800	\$94,380.00
3/89	PIA	2427-03		\$77	\$2,250	\$92,130.00
4/89	Cameron	3015-01			\$4,040	\$88,090.00
		3090-01			\$800	\$87,290.00
		3142-01			\$3,945	\$83,345.00
		3182-01		\$77	\$1,880	\$81,465.00
5/89	Cameron	3090-02			\$1,200	\$80,265.00
		3542-01			\$1,607	\$78,658.00
	Monroeville	2575-01		\$77	\$2,000	\$76,658.00
6/89	Cameron	3541-01			\$4,250	\$72,408.00
		3731-01			\$3,450	\$68,958.00
	Mr. Ham	3629-01		\$77	\$1,800	\$67,158.00

Attorney Updates

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"KOBURT"

April 13, 1988

**THIS MEMO DOES NOT GO IN
YOUR PUBLIC INSPECTION FILE.**

PUBLIC INSPECTION FILES

A broadcast station's public inspection file must be maintained in accordance with strict FCC requirements. The purpose of the file is to allow all interested persons to inspect locally certain (not all) documents that are available in the Commission's files in Washington, DC.

The Commission Rules specify precisely the documents required to be kept in the file. The penalties for failure to maintain the public inspection file properly are the same as for violating any other Commission rule or regulation. The Commission has fined licensees and imposed other sanctions for failure to comply with the public inspection file Rule. Petitions to deny renewal applications sometimes contain charges that station public files were not complete or not available for examination when they should have been.

Many stations keep more material in their public files than is required. With a few exceptions noted in this memo -- most particularly concerning ballot proposition spots and ascertainment materials -- we do not recommend that anything more be kept in the file than is required by law.

I. What must be included in the public inspection file?

Generally, copies of all of the following documents must be included in your station's public inspection file.

A. Applications

1. The most recent complete license renewal application that was granted (FCC Forms 303, 303-R or 303-S),¹ with all exhibits, attachments and associated correspondence.
2. Applications (FCC Form 301) for authority to make major changes in the facilities of authorized stations. Minor modification applications need not be included.
3. New station construction permit applications (FCC Form 301).

¹ Television and radio renewal forms 303 and 303-R, respectively, are no longer used, but some older renewal applications will have been filed on one of those forms. All commercial television and radio stations are now using the 303-S "postcard" renewal form.

4. Assignment (FCC Form 314) and transfer (FCC Form 315) applications. Involuntary and pro-forma assignment applications (FCC Form 316) must also be included.
5. All applications which involve a change in program service.
6. Applications for extension of time in which to complete construction of new stations.
7. When a petition to deny one of the applications listed above has been filed, a statement that such a petition has been filed, giving the name and address of the petitioner, must be included in the file. The petition itself is not included.
8. All materials incorporated by reference in applications in the file.

B. Ownership Reports

1. Every ownership report filed by the licensee. This includes ownership reports both for the licensee and for any corporations or partnerships with an attributable ownership interest in the licensee. Note that a multiple owner that

files ownership reports annually must see to it that a copy of the report for each entity in the chain of ownership for each station is included in the public file for that station.

2. All supplements to ownership reports.
3. All material filed as part of an ownership report or incorporated in it by reference.
4. All contracts or other documents that are listed in ownership reports but not separately filed with them.

C. Employment Reports

1. All annual employment reports (FCC Form 395).

D. Network Affiliation Agreements

On July 22, 1985, the FCC abolished the requirement that radio stations file their network affiliation agreements with the FCC. Therefore, affiliation agreements reached subsequent to that date need not be placed in radio station public files. For television stations, the requirement of filing network affiliation agreements was retained, but only as to agreements with national networks.

Both radio and television licensees should retain all such agreements now in their public files until the FCC clarifies which of these materials may be discarded.

E. Amendments, Correspondence and Related Materials

1. All amendments to applications and reports included in the public file.
2. All letters, exhibits, and other documents filed with any application or report in the file, including letters from local citizens, contracts and agreements so filed.
3. All documents incorporated by reference in any of the applications or reports in the file. Any document incorporated by reference which is already included in the file need not be included again each time it is referred to.
4. All subsequent correspondence between the Commission and the applicant pertaining to any application or report in the file.

F. Political Time Records

1. A record showing all requests for broadcast time made by candidates for public office² over the past two years, including:
 - a. An appropriate notation showing the disposition of requests.
 - b. Time charges, if any, if the request was granted.

G. Other Materials

1. A copy of the FCC's "Public and Broadcasting Revised Edition -- Procedural Manual." Although much of the material in this document has been made obsolete by subsequent changes in the FCC's rules, the requirement that the Manual be kept in the public file has not been repealed.
2. Quarterly Issues/Programs lists placed in every station's file on January 10, April 10, July 10, and October 10 of each year. Prior to April, 1981 for radio stations and prior to

² There is no public file requirement with respect to ballot proposition advertising. However, as indicated at page 12, infra, it may be desirable to put ballot proposition materials in the file on a voluntary basis.

August, 1984 for television stations, the lists were done annually, not quarterly.

3. The FCC has eliminated, for both radio and television licensees, formal requirements that they "ascertain" community problems. However, we have recommended that stations continue to carry out at least community leader "ascertainment" activities, and that they maintain records of such activities. Those records are not required to be placed in the public inspection file, but we recommend that they still be kept there. The only material which must be placed in the public file to demonstrate that the licensee has responded to community problems in programming are the quarterly issues/programs lists.
4. All letters from the public concerning the station's operations. Obscene or defamatory letters, "fan letters" pertaining to station personalities, business letters, or letters which the author has requested be kept confidential, should not be added to the file. Anonymous letters should be included. For television stations only, the letters should be divided into two categories -- those dealing

with programming matters and those dealing with non-programming subjects. If both subjects are treated in a single letter, it should be included under the category dealt with the most. Only written comments from the public need be included in the file. Replies of the station to the letters should be associated with the appropriate incoming letter in the file.³

5. Written agreements between the station and citizens groups.
6. A list of the chief executive officers of a corporation, committee, association or group sponsoring or furnishing political matter or controversial issue programming.⁴
7. Certification of pre-filing and post-filing renewal announcements.

³ A long-pending rule making proceeding proposes to eliminate the requirement that letters from the public be kept in the file, but no action has yet been taken in that proceeding.

⁴ Technically, these lists must only be kept at the station and made available for inspection on request. We recommend, however, that they be kept with the public inspection file.

II. What does not go in the public inspection file?

Many stations include documents in their public files that are not required, ordinarily an undesirable practice except for a few special items such as ascertainment reports and ballot proposition advertising material. The public inspection file is not an "FCC file," into which are dumped all documents relating to the Commission, including letters from counsel. It is an official record file, not a work file. The following items are often unnecessarily included in a station's public file:

1. The station's license.
2. FM or TV translator station or FM booster station applications and licenses.
3. Auxiliary station (e.g., remote and TV pickup, STL and intercity relay) applications and licenses.
4. Pleadings, briefs, transcripts of testimony, depositions, Commission decisions and other legal documents pertaining to hearings on an application.
5. Petitions to deny. As noted above, however, if a petition to deny is filed against an application in the file, a statement must be

placed in the public file giving the name and address of the party filing the petition.

6. FCC press releases, public notices and printed opinions.
7. Materials from the NAB and other industry source materials relating to the FCC.
8. Newspaper articles and press releases on regulatory matters.
9. Financial reports and records, including the formerly required annual FCC financial reports (FCC Form 324) and all internal station financial records.
10. Applications for minor changes of facilities of an authorized station which do not involve program service changes.
11. Applications for licenses covering construction permits.
12. Applications for extension of time in which to complete authorized construction of other than new stations.
13. Applications for special or temporary authorizations.

14. Remote broadcast requests and authorizations.
15. Requests for authorized operation during natural disasters, war, national emergencies and similar crises.
16. Applications and other documents with respect to other stations of which the broadcaster is the applicant, permittee, or licensee, but which do not concern the station in whose community the file is kept.
17. Materials of any kind relating to other licensees.
18. Copies of station editorials, copies of replies to station editorials, and correspondence related to editorials.
19. Internal station correspondence dealing with complaints from the public.
20. Correspondence between the licensee or permittee and the Commission, except that relating to applications and reports which are included in the file.
21. All correspondence with anyone other than the Commission, including counsel, which is not

either (a) included as an exhibit to an application or report in the file or (b) incorporated by reference in such an application or report.

22. Koteen & Naftalin Memoranda.
23. Station discrepancy reports.
24. Rate cards.
25. Requests for spot time for ballot issues, i.e., not for political candidates. However, it is usually desirable, even if not required, to put in the file contracts for the sale of time to supporters or opponents of ballot propositions. Interested parties can then be referred to the public file when they seek such information for fairness doctrine purposes.
26. "Fairness" time requests, unless considered letters from the public commenting on programming.
27. Statements of station policy and station operating manuals other than those included in applications in the file.
28. Applications and reports which have not yet been filed with the FCC.